CAPXON | WHERE RELIABILITY BEGINS

BRONZE | Top 35%
ecovadis
Sustainability Rating
MAY 2026

Sustainability Report.

SUSTAINABLE PRODUCTS FOR A BETTER TOMORROW

2025/2026



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Leadership Statement



At CapXon, we believe that sustainable growth and business success go hand in hand. In 2026, we increase our revenue to over USD 385 million while we target to reduce our Scope 1 and Scope 2 greenhouse gas emissions more than 10%.

These results reflect our commitment to combining operational excellence with responsible business practices.

Throughout the year, we continued investing in automation, energy efficiency, renewable energy, and process optimization to reduce our environmental footprint while strengthening manufacturing excellence.

Our long-term ambition is to achieve CO_2 neutrality by 2035, supported by continuous improvements across our operations.

Driven by efficiency, defined by quality, powered by technology, guided by responsibility, we remain committed to creating long-term value for our customers, employees, and partners. As CapXon enters the next generation of leadership, Patrick Lin and I will continue investing in innovation and sustainable technologies to build a resilient and responsible future.

Ichu Lin
General Manager

About CapXon

CapXon is a globally recognized manufacturer of aluminum electrolytic capacitors, with over nearly five decades of experience in research, development, and production. CapXon's vertically integrated business model, covering raw materials, core process technologies, and production, enables consistent quality, supply chain resilience, and operational efficiency. With a strong international presence, CapXon serves key industries including automotive, industrial automation, and data infrastructure.

Founded in
1980

Established in
Taipei

Employees
2,000+

2026 Revenue
$385M Est.

EcoVadis Bronze Medal





CapXon Core Products

CapXon offers a comprehensive portfolio of capacitor solutions, including aluminum electrolytic capacitors, as well as solid conductive polymer and hybrid conductive capacitors. All products are designed to deliver high performance and stability, meeting the demands of diverse applications. Our capacitors are fully developed and manufactured at our Shenzhen facility, ensuring consistent quality, reliability, and efficient production management.

Aluminum Electrolytic Capacitors



- High voltage capabilities
- High temperature performance
- Low leakage current



Solid Conductive Polymer Capacitors



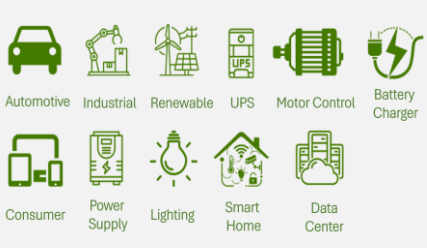
- High Ripple Current
- High lifetime performance
- Low ESR



Hybrid Conductive Polymer Capacitors



- Combines two technologies of liquid & solid conductive polymer
- High-capacity performance

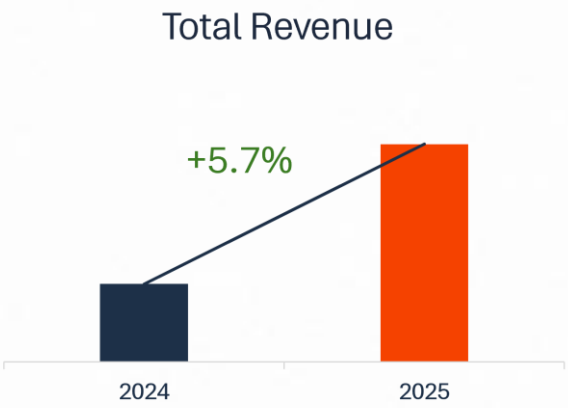


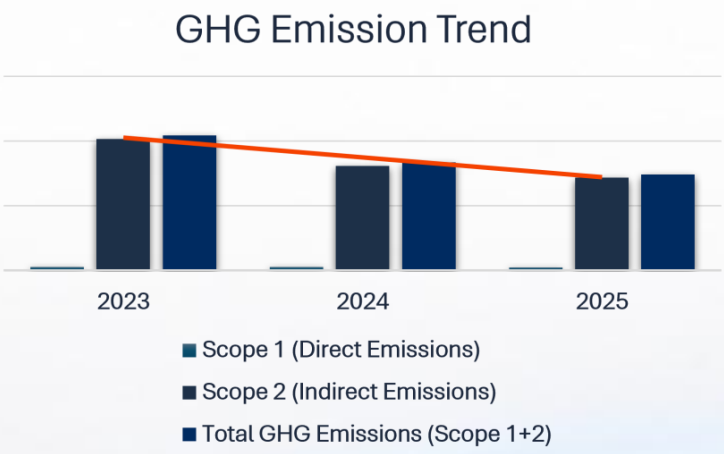
Financial & Sustainable Performance

Driving Growth while Reducing Environment Impact

From 2024 to 2025, CapXon maintained stable revenue growth while significantly reducing its greenhouse gas (GHG) emissions.

Total revenue is increasing, demonstrating resilient business performance.





Over the same period, total Scope 1 and Scope 2 emissions decreased by **11%**, reflecting effective energy management and operational efficiency.

This progress highlights CapXon's commitment to achieving sustainable growth by decoupling financial performance from environmental impact.

Sustainability at CapXon

Step by Step to a Climate-Friendly Business

We are committed to gradually transforming our production to be as low-emission as possible. Achieving full carbon neutrality is a long-term goal, we pursue with a clear understanding of technological and economic realities.

As part of the electronics industry, we take responsibility, not only for the quality of our products but also for the environmental and social impact of our operations. Sustainability is not an add-on for us - it is a core element of how we shape our business for the future.





Sustainable Energy Procurement

We increasingly source certified green electricity to reduce the environmental footprint of our energy supply. This includes the **procurement of green renewable energy** through wind farm projects.

On-site Solar Power Generation

Since 2025, we've been operating over **10,000m²** of photovoltaic panels on our facility rooftops as a significant step toward generating our own renewable energy.

Net Zero 2035 Commitment

We are committed to achieving net-zero greenhouse gas emissions by 2035 across our operations and value chain. Through energy efficiency improvements, renewable energy adoption, and close collaboration with partners, we aim to reduce our carbon footprint and support a low-carbon future.

Net Zero Roadmap



Our roadmap is supported by clear milestones, transparent performance tracking, and alignment with international climate frameworks. By embedding sustainability into our core business strategy, we aim to create long-term value for our business and society while contributing to a low-carbon economy.

Reducing

Reducing scope 1 & 2 emissions

Renewable Energy

Transition to green power

Supply Chain

Supplier engagement for emissions reduction

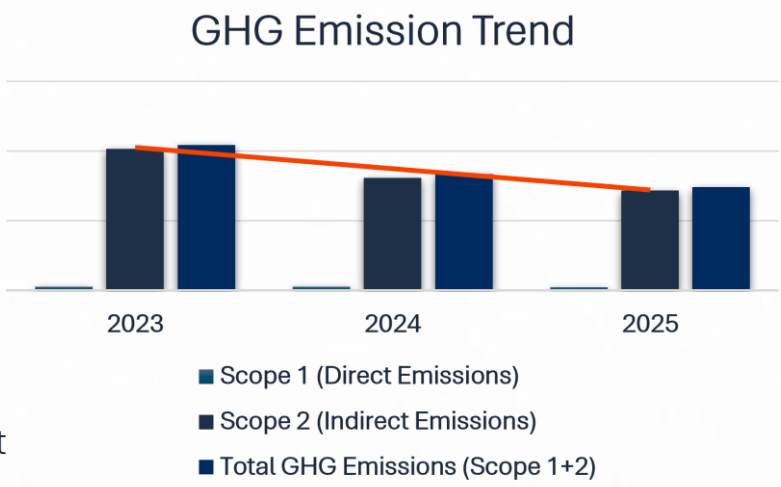
Low-Carbon Innovation & Offsets

Developing sustainable solutions

Greenhouse Gas & Energy Management

CapXon continues to advance sustainable manufacturing by improving energy efficiency and optimizing operational processes.

Since 2023, carbon emissions per unit of capacitor have been reduced by **44%**, reflecting effective process optimization, increased use of renewable energy, and smart operational systems. These efforts demonstrate CapXon's commitment to responsible operations and long-term sustainable growth.



Carbon Efficiency

44% reduction in emissions per unit since 2023

Renewable Energy

Over **10,000** m^2 of solar panels installed in 2025

Green Electricity

Increasing use of certified renewable energy sources

Operational Efficiency

Smart systems reducing energy use across operation

Water Management

CapXon implements systematic water management practices to ensure responsible and efficient use of water resources. Total water withdrawal is monitored regularly, with municipal tap water as the primary source.



Through ongoing management and optimization measures, CapXon aims to enhance water-use efficiency and support long-term sustainable operations.

2025 Water Metrics Review

283,565 Tons (m^3)	16 %	44,371 Tons (m^3)
Total Water withdrawal	Water Recycle Rate	Recycle water in Production

Employee Training & Development

We believe our people are the foundation of our long-term success. We are committed to building a diverse, inclusive, and supportive workplace where employees are treated like family, empowered to grow, innovate, and contribute their full potential.

Workforce by Gender



770+	2000+	1230+
Female employees	Total employees	Male employees

Key Training Programs conducted in 2025

Management Systems
ISO9001, IATF16949, ISO14001, ISO45001 awareness and implementation

Climate & Energy Management
ISO50001, ISO14064 greenhouse gas inventory, ISO 14067 carbon footprint

Health & Safety
Workforce safety, fire protection, hazardous chemical management and emergency response

Ethics & RBA
RBA Code of Conduct, labor right, health & safety, environment, ethics, and supply chain management

Information Security & Compliance
Information security awareness, trade security, customs regulations

Automotive Standards
VDA 6.3 / 6.5 / 19, AEC-Q004, APQP, PPAP, FMEA, SPC, MSA, and more

Professional Skills
Problem solving, quality improvement, process control, and technical capabilities

Leadership & Team development
Leadership skills, talent development, effective communication, and team building

Empowering People
Creating Value for a better future

Occupational Health & Safety

Protecting People, Building a Safer Future

2025 Highlight

100%
Employees covered by Insurance

100%
Safety training completion rate

ISO 45001
ISO 45001 Certified



We are committed to providing a safe and healthy working environment for all employees, contractors and visitors.

Through proactive risk management, continuous improvement and employee engagement, we strive to prevent work-related injuries, illnesses and incidents.

Indicator	2024	2025	Trend
Lost Time Injury Frequency Rate (LTIFR)	2.84	1.85	↓
Total Recordable Injury Rate (TRIR)	0.92	0.46	↓
Occupational Diseases	0	0	=
Lost Workdays	272	180	↓

The successive year-on-year reduction in LTIFR and TRIR reflects our strong safety culture as we progress towards our long-term goal of zero workplace incidents.

Community Engagement

Connecting People, Creating Positive Impact

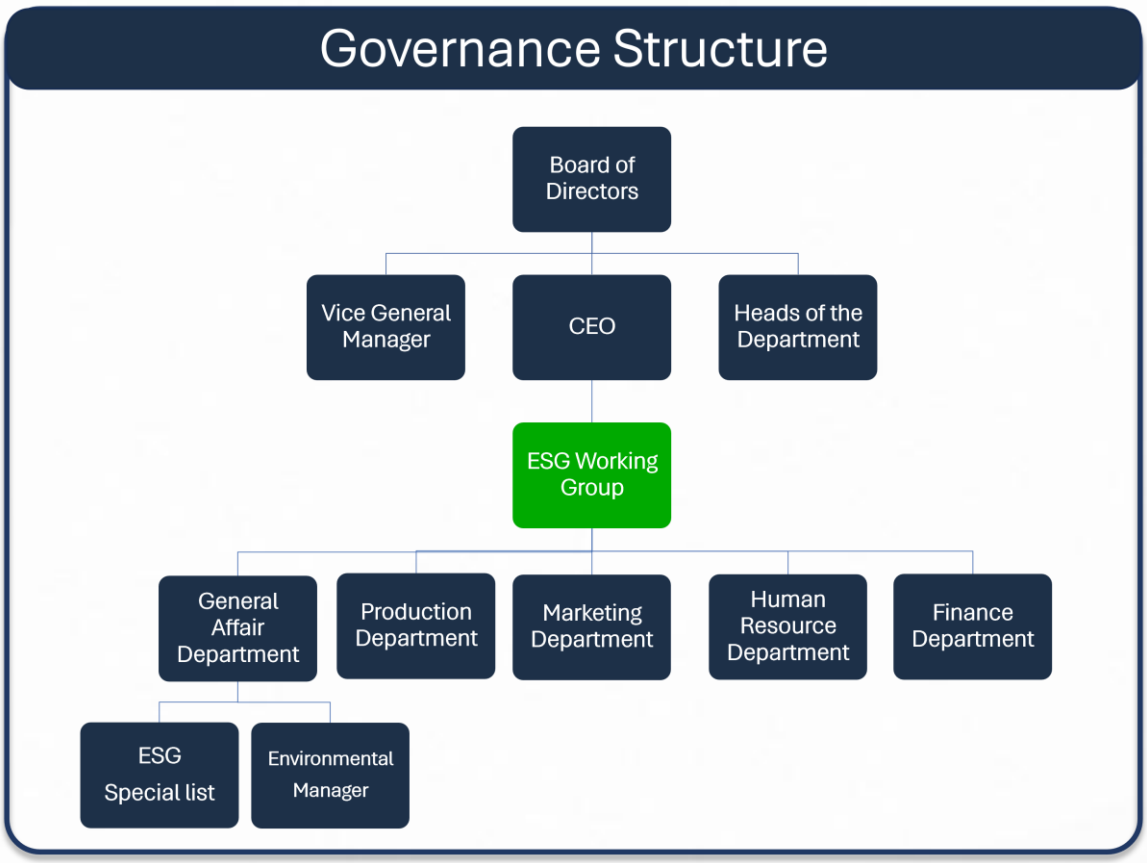
CapXon is committed to giving back to society by integrating social responsibility into our business practices.

Through community programs, charitable initiatives, and employee volunteerism, we contribute to social well-being and sustainable development.

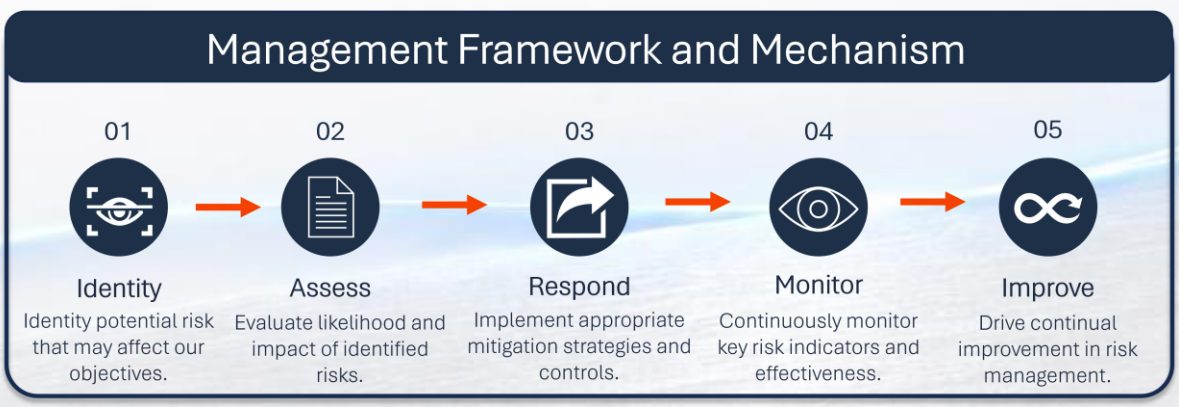


ESG Governance

CapXon has established a structured and transparent ESG governance system led by the Board of Directors. Through a three-tier governance model, CapXon ensures strategic direction, effective implementation, and operational execution of ESG initiatives.



CapXon also emphasizes business ethics, compliance, and responsible supply chain management aligned with international standards.



Risk Management & Compliance



We integrate risk management and compliance into our governance and daily operation to protect our business and support sustainable growth.

Compliance Management

We comply with applicable laws and international standards and promote a culture of integrity and accountability.

1. Code of Conduct
2. Anti-corruption & Anti-bribery
3. Data Privacy Protection
4. Intellectual Privacy Protection
5. Environmental Compliance
6. Export Control Compliance

Risk Mitigation Approach

Risk Category	Potential Impact	Mitigation Measures
Supply Chain Risk	Material shortage, delivery delay	Diversified sourcing, supplier assessment, inventory management
Cybersecurity Risk	Data leakage, Business interruption	Network security, employee training, incident response plan
Regulatory Compliance Risk	Compliance penalties, Reputation damage	Legal compliance review, policy updates, internal audits
Climate Risk	Operational disruption, financial impact	Energy management, climate adaption plan, business continuity planning
Information Security Risk	Data breach, IP loss	Access control, encryption, vulnerability management, security awareness



Compliance is not just a check box, it is **our shield of trust**. Through **continuous alignment** with industry standards and proactive risk mitigation, we guarantee a secure, resilient, and dependable partnership for all our customers.

Ethics & Integrity

Building Trust through ethical behavior and responsible actions

Ethics & Integrity Highlight 2025

100%	100%	0	0	0
Employees covered by code of conduct	Ethics training completion rate	Confirmed Corruption incidents	Whistleblower case received	Material compliance violations

Our Commitment

We are committed to conducting business with the highest standard on integrity, transparency, and accountability. Through robust governance frameworks, ethic policies, and employee awareness programs, we promote a culture of compliance and responsible decision-making across our operations and value chain.

Respect

We trust employees with dignity and respect.

- Value diversity and inclusion
- Promote a safe and healthy workplace
- Act with fairness and consideration

Integrity

We act with honesty and uphold the highest ethical standards.

- Be honest and truth worthy
- Comply with laws and policies
- Avoid conflicts of interest
- Protect company assets and information

Communication

We communicate openly, respectfully and transparently.

- Listen actively and speak up
- Share accurate and timely information
- Build strong relationships through open dialogue

Responsibility

We take ownership and are accountable for our actions and results

- Deliver on commitments
- Act in the best interest of the company
- Contribute to a sustainable future

Responsible Value Chain

Building a sustainable future together

Every Connection Matters

Each partnership plays a vital role in creating positive impact. Together, we advance responsible business practices and build a stronger, more sustainable future.

We believe that sustainability is a shared responsibility.



By working closely with our suppliers, partners and customers, we integrate environment, social, and ethical considerations across the entire value chain to create long-term value for business and society.

Certifications & Standards

- **ISO 9001** — Quality Management
- **ISO 14001** — Environmental Management
- **IECQ QC080000** — Hazardous Substance Process Management
- **EcoVadis** — Bronze Medal (BRONZE | Top 35% ecovadis Sustainability Rating MAY 2026)
- **RoHS** — RoHS Compliant
- **REACH** — REACH Compliant
- **HF Halogen Free** — Halogen Free Compliant
- **Conflict Mineral** — Conflict Mineral Compliant

CAPXON | WHERE RELIABILITY BEGINS



Our Vision

Sustainability is not a destination but a continuous journey.

CapXon will remain dedicated to integrating ESG principles into our business strategy, driving innovation, reducing environmental impact, empowering our people, and creating shared value for our future generation.

Towards a greener, smarter, and more sustainable future.

Capxon Electronic Technology Co., Ltd

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